

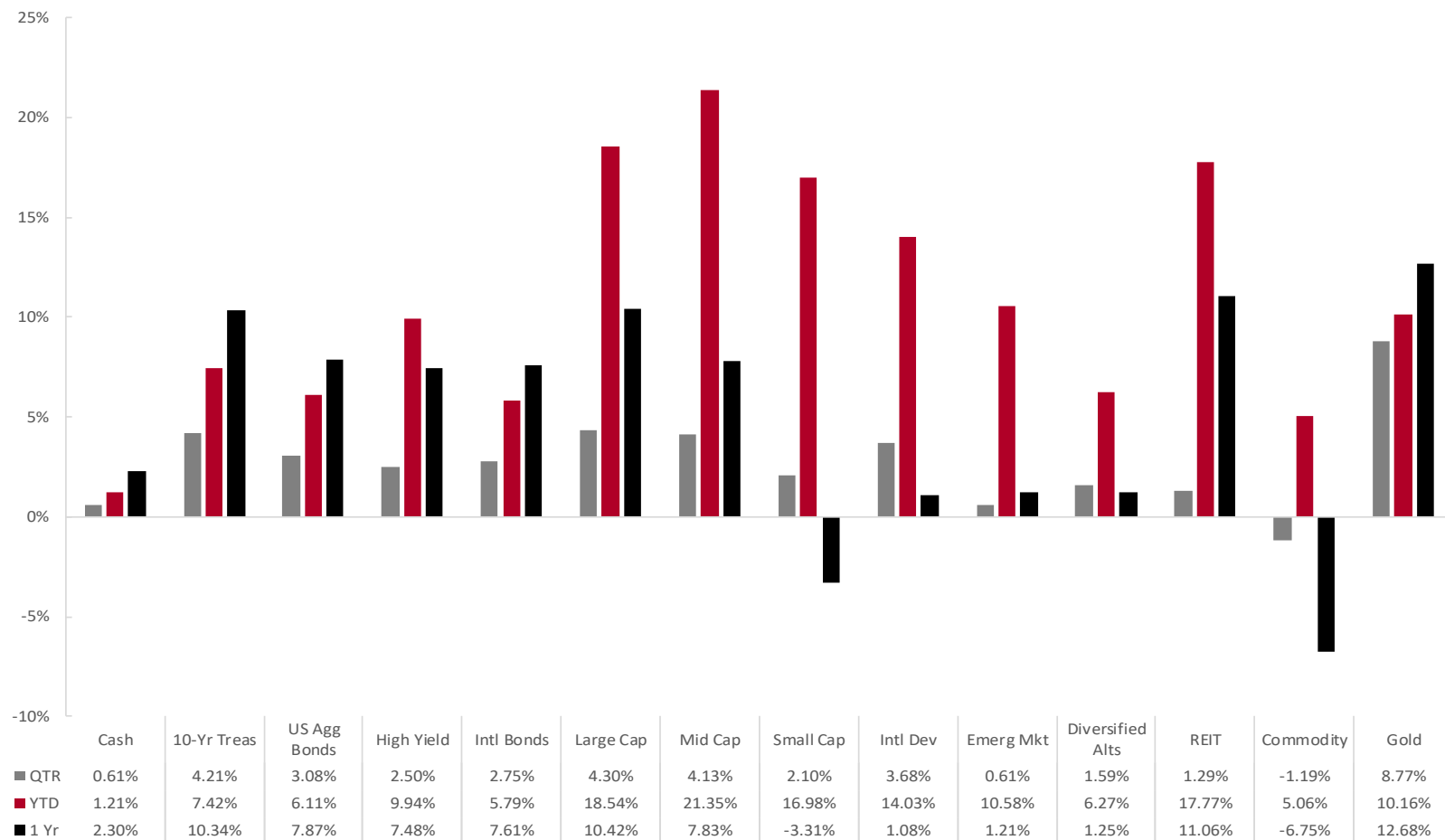
Quarterly Market Overview

As of June 30, 2019



Market Summary

Sell in May and go away? Maybe not. A breakdown in trade negotiations between the U.S. and China led to a tough May with the S&P 500 down -6.35%, but it was sandwiched between a positive April and the best June since the 1950s. Broad market indices posted positive results for the second quarter of 2019 despite the increased volatility.



Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Broad Market Review

As of 6/30/19

Returns	3 Mo.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
Capital Markets						
DJ Industrial Average TR USD	3.21	15.40	12.20	16.82	12.29	15.03
NASDAQ 100 TR USD	4.25	21.85	10.16	21.57	16.14	19.24
Russell 3000 TR USD	4.10	18.71	8.98	14.03	10.19	14.67
S&P 500 TR USD	4.30	18.54	10.42	14.20	10.71	14.70
Domestic Large Cap Equities						
Russell 1000 TR USD	4.25	18.84	10.02	14.16	10.45	14.77
Russell 1000 Value TR USD	3.84	16.24	8.46	10.20	7.46	13.19
Russell 1000 Growth TR USD	4.64	21.49	11.56	18.08	13.39	16.28
Domestic Mid Cap Equities						
Russell Mid Cap TR USD	4.13	21.35	7.83	12.16	8.63	15.16
Russell Mid Cap Value TR USD	3.19	18.02	3.68	8.96	6.72	14.56
Russell Mid Cap Growth TR USD	5.40	26.08	13.94	16.50	11.11	16.02
Domestic Small Cap Equities						
Russell 2000 TR USD	2.10	16.98	-3.31	12.31	7.06	13.45
Russell 2000 Value TR USD	1.38	13.47	-6.24	9.82	5.39	12.40
Russell 2000 Growth TR USD	2.75	20.36	-0.49	14.70	8.63	14.41
International Equities						
MSCI EAFE NR USD	3.68	14.03	1.08	9.11	2.25	6.90
MSCI EAFE Value NR USD	1.54	9.58	-2.10	8.47	0.05	5.50
MSCI EAFE Growth NR USD	5.73	18.47	4.24	9.69	4.39	8.23
MSCI ACWI Ex USA NR USD	2.98	13.60	1.29	9.39	2.16	6.54
MSCI EM NR USD	0.61	10.58	1.21	10.67	2.49	5.81
Cash & Fixed Income						
FTSE Treasury Bill 3 Mon USD	0.61	1.21	2.30	1.36	0.84	0.46
BBgBarc US Agg Bond TR USD	3.08	6.11	7.87	2.32	2.95	3.90
BBgBarc Gbl Agg Ex USD TR Hdg USD	2.75	5.79	7.61	3.34	4.43	4.44
BBgBarc US Corporate High Yield TR USD	2.50	9.94	7.48	7.52	4.70	9.24
Alternatives						
HFRI Fund of Funds Composite USD	1.59	6.27	1.25	4.29	2.21	3.22
MSCI US REIT GR USD	1.29	17.77	11.06	4.14	7.81	15.55
Bloomberg Commodity TR USD	-1.19	5.06	-6.75	-2.18	-9.15	-3.74

Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Stock Market Performance with Headlines

S&P 500 Index for Q2 2019



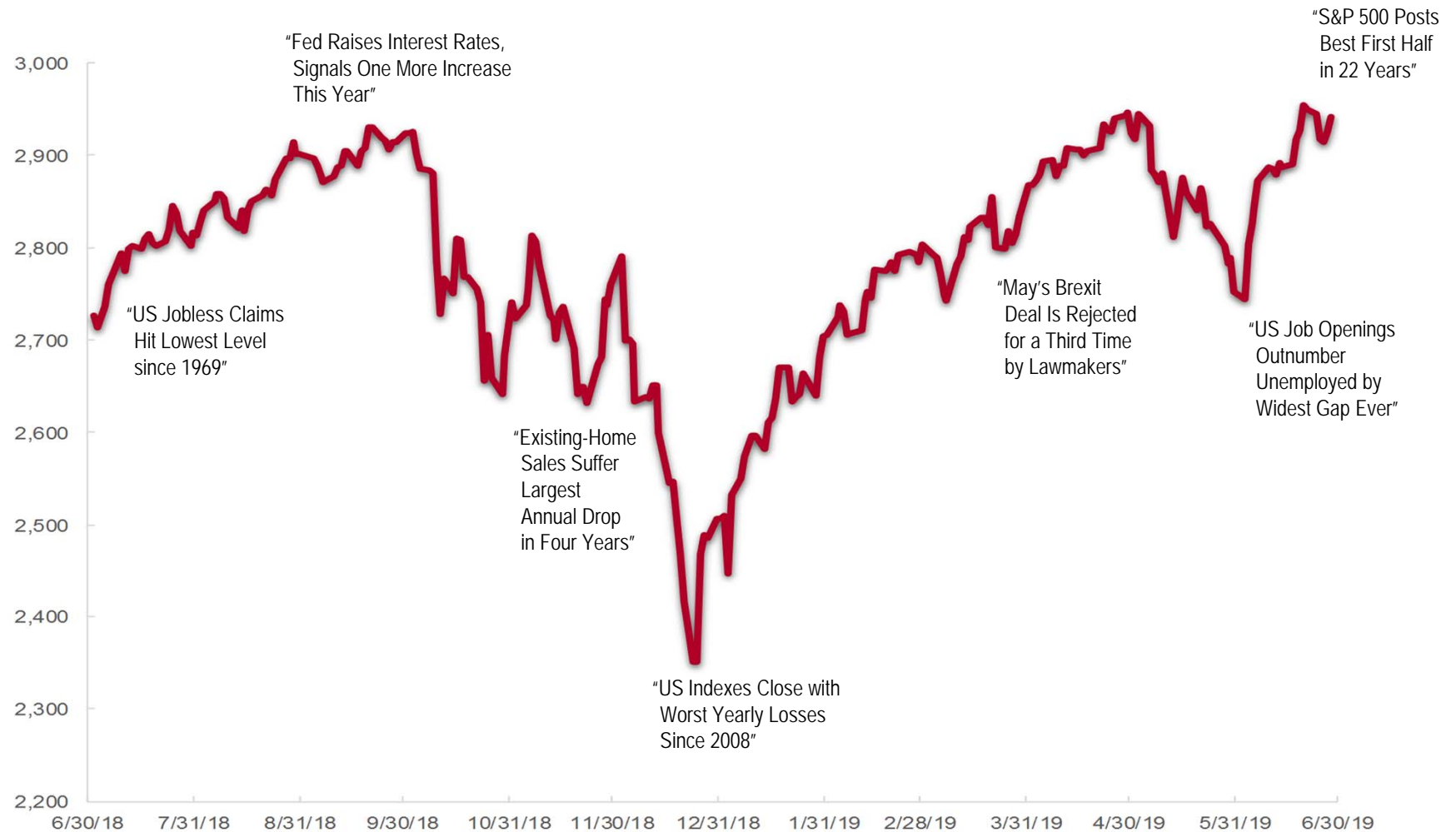
Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Stock Market Performance with Headlines

S&P 500 Index from the Past 12 Months



Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Annual Total Returns of Key Asset Classes

As of 6/30/19

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
78.51%	26.85%	7.84%	18.22%	38.82%	13.69%	5.67%	21.31%	37.28%	3.17%	21.49%	Best Performing ↑ ↓ Worst Performing
58.21%	25.48%	4.98%	17.51%	34.76%	13.45%	1.38%	17.34%	30.21%	0.01%	21.35%	
40.48%	18.88%	3.94%	17.32%	33.48%	13.22%	1.36%	17.13%	25.03%	-1.51%	18.54%	
37.21%	16.71%	2.64%	17.28%	32.53%	13.05%	0.55%	13.80%	21.83%	-2.08%	16.98%	
31.78%	15.51%	2.11%	16.35%	32.39%	8.79%	-0.27%	11.96%	18.52%	-4.02%	16.24%	
27.17%	15.12%	0.39%	16.00%	22.78%	5.97%	-0.81%	11.19%	14.65%	-4.38%	14.03%	
26.46%	15.06%	-1.55%	15.81%	8.96%	4.89%	-2.44%	7.08%	13.66%	-8.27%	10.58%	
19.69%	7.75%	-4.18%	15.26%	7.44%	3.37%	-3.83%	4.90%	7.77%	-9.06%	9.94%	
11.47%	6.54%	-5.72%	6.46%	1.18%	2.45%	-4.41%	2.65%	7.50%	-11.01%	6.27%	
5.93%	5.70%	-12.14%	4.79%	-2.02%	-2.19%	-4.47%	1.00%	3.54%	-13.79%	6.11%	
4.43%	3.28%	-18.42%	4.21%	-2.60%	-4.90%	-14.92%	0.51%	2.48%	-14.57%	5.79%	

S&P 500
Large Cap Value
Large Cap Growth

Mid Cap Blend
Small Cap Blend
Alternatives

Foreign Stocks
Emerging Markets
High Yield

Bonds
Foreign Bonds

*Index representation information on Important Information and Disclosures page.

Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



U.S. Equity

Q2 2019

	Value	Core	Growth
Large	3.8	4.3	4.6
Mid	3.2	4.1	5.4
Small	1.4	2.1	2.7

YTD

	Value	Core	Growth
Large	16.2	18.5	21.5
Mid	18.0	21.3	26.1
Small	13.5	17.0	20.4

1 Year

	Value	Core	Growth
Large	8.5	10.4	11.6
Mid	3.7	7.8	13.9
Small	-6.2	-3.3	-0.5

3 Year

	Value	Core	Growth
Large	10.2	14.2	18.1
Mid	9.0	12.2	16.5
Small	9.8	12.3	14.7

5 Year

	Value	Core	Growth
Large	7.5	10.7	13.4
Mid	6.7	8.6	11.1
Small	5.4	7.1	8.6

Russell 3000 Index is used as the proxy for the US market. Returns in the style boxes are represented by the Russell indexes. Boxes shown in red represent returns below 0%. Gray boxes represent returns between 0% and 10%. Returns above 10% are shown in black.

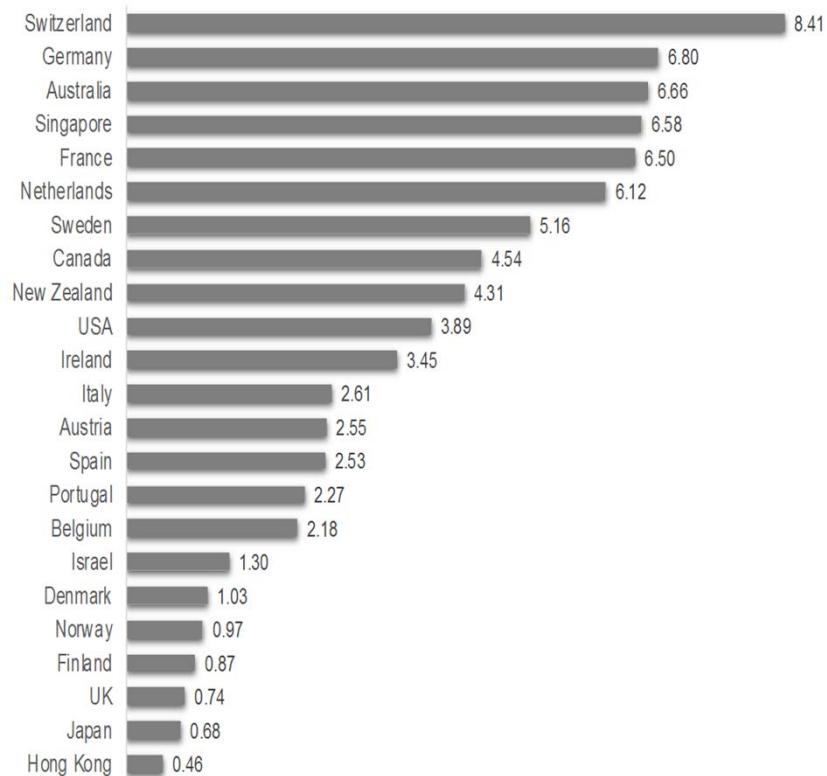
© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



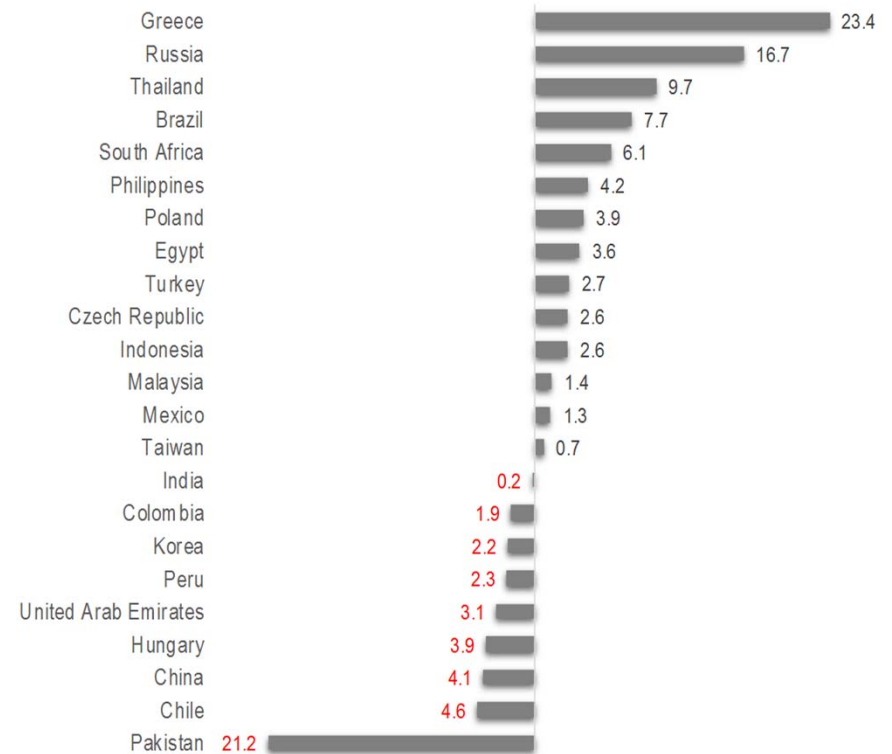
International Equity

In US dollar terms, developed market indices outperformed emerging markets, but both trailed US equity markets for 2q19. Growth outperformed value in large and small cap developed markets, but value outperformed in the broad emerging market indices.

Developed Markets Returns, Q2 19 (%)



Emerging Markets Returns, Q2 19 (%)



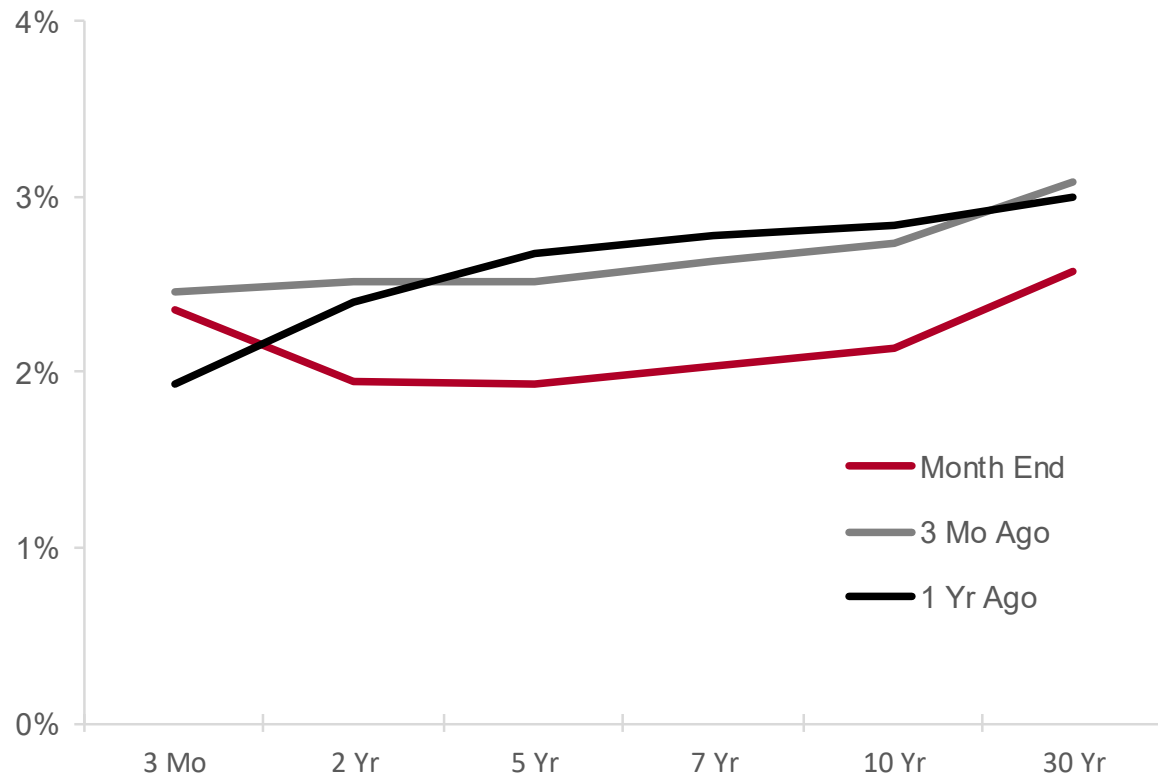
Source: Morningstar

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Fixed Income

Treasury Yield Curve As of 6/30/19



Source: Morningstar

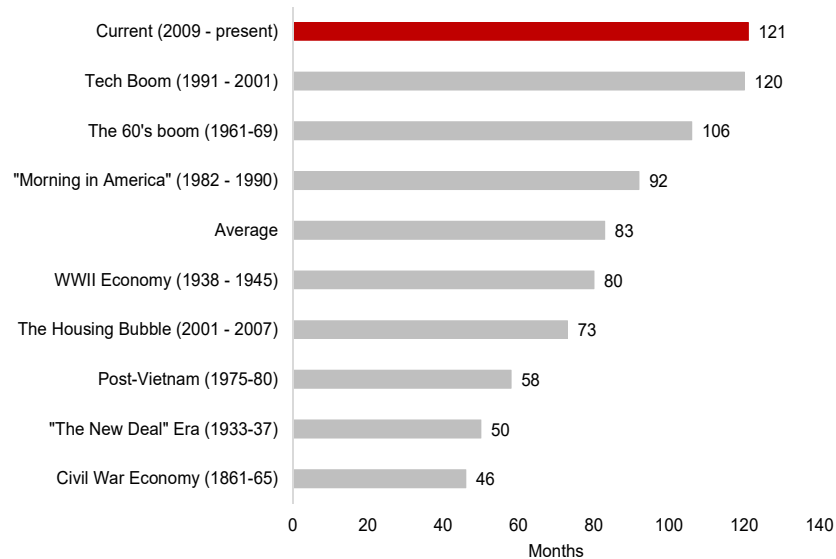
© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



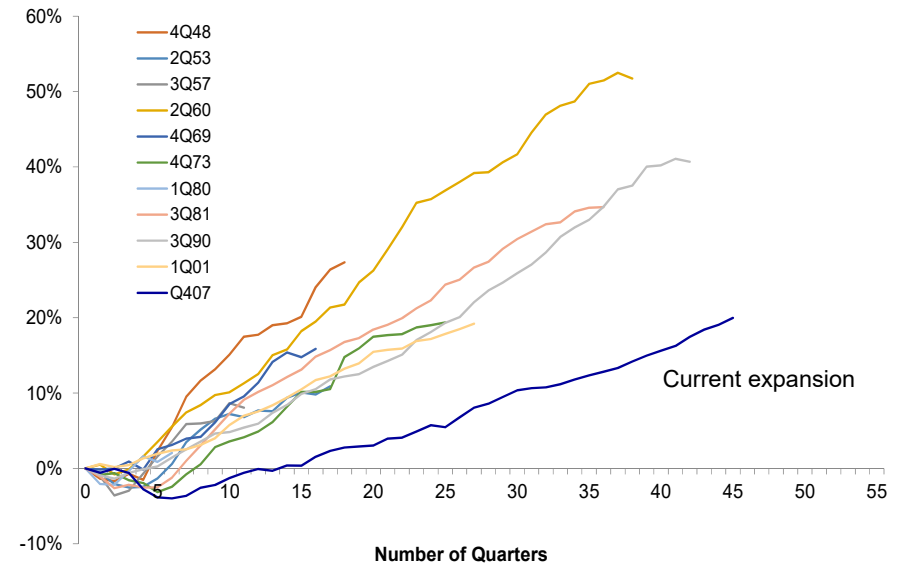
Long, Slow Recovery

The current economic expansion has now been the longest, yet slowest, expansion in U.S. history. Starting in 2009, the expansion has lasted 121 months. While a record in terms of duration, the recovery lags past recoveries in terms of cumulative GDP growth. Our current outlook is for this recovery to continue as growth remains sub-par.

Length of Economic Expansions



Strength of Economic Expansions



Source: Strategas

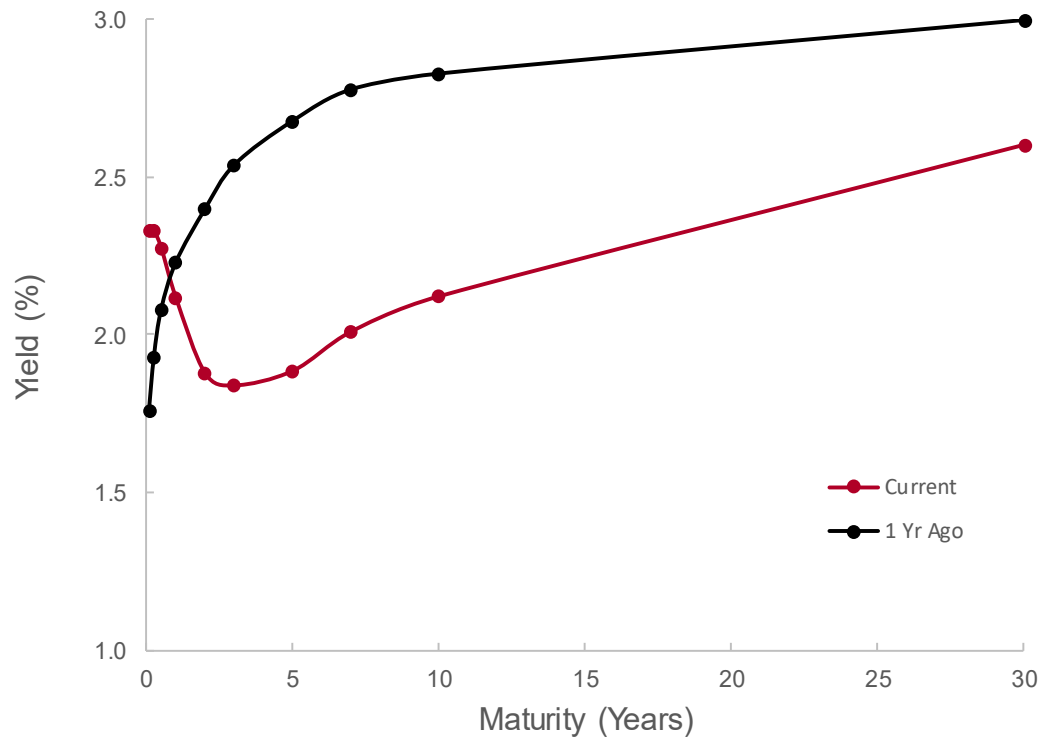
© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



The Inverted Yield Curve

The yield curve has historically been viewed as a good forecaster of future economic activity. An upward sloping yield curve indicates an expectation of continued or accelerating economic growth with some inflation, leading investors to demand a higher rate of return to offset the longer-term effects of inflation. In contrast, the “inverted” yield curve indicates economic activity may slow and the Federal Reserve is expected to respond by lowering interest rates.

Treasury Yield Curve
As of 6/30/19



Source: Morningstar

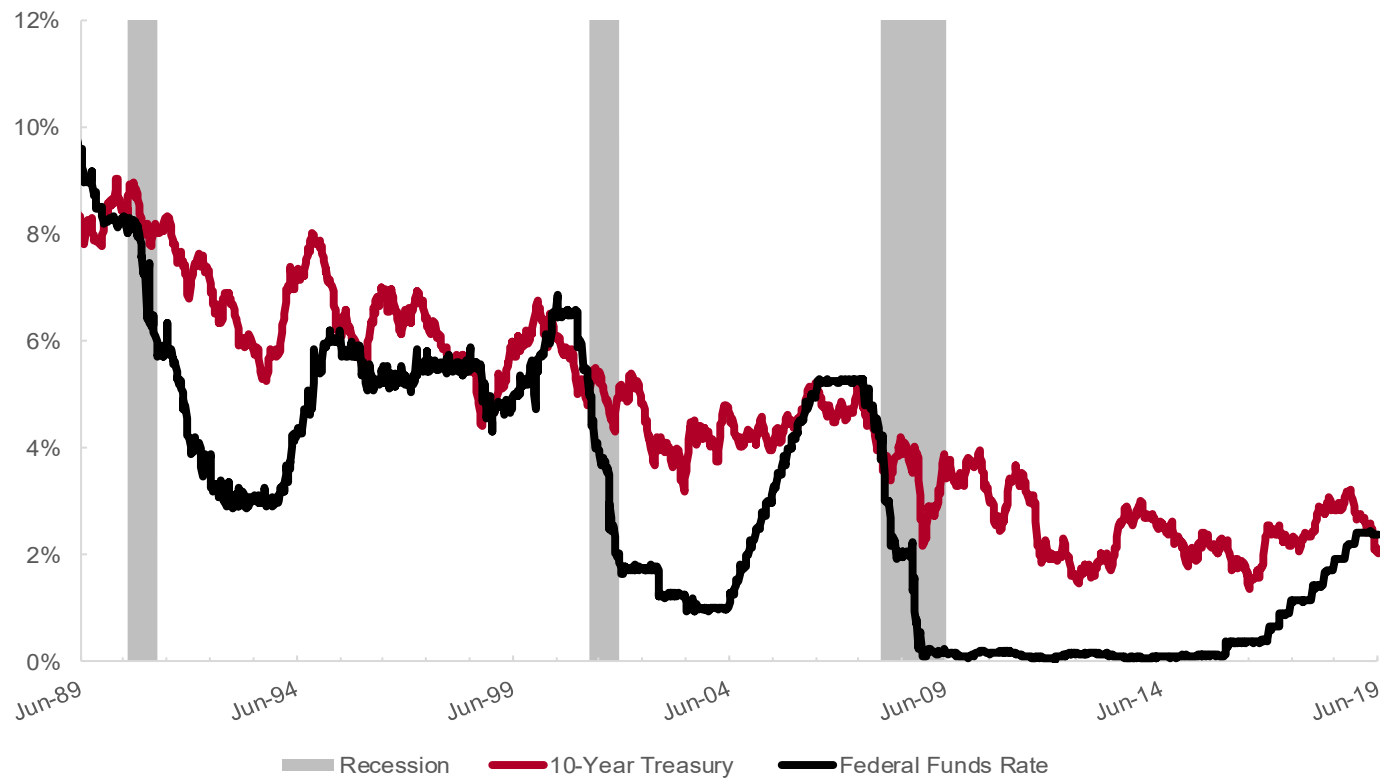
© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



The Inverted Yield Curve

In periods when an inversion preceded a recession, there was some period of time, normally months, that passed before the onset of economic weakness. The chart below shows the historical Federal Funds rate and the 10-year Treasury yield. It shows there have been times when the effective Federal Funds rate has matched the rate on the 10-year Treasury yield and these instances did not precede a recession. A crossover between the rates, however, usually resulted in a reduction in the Federal Funds rate.

Historical Fed Funds Rate vs. 10-Year Treasury Yield



Source: FRED

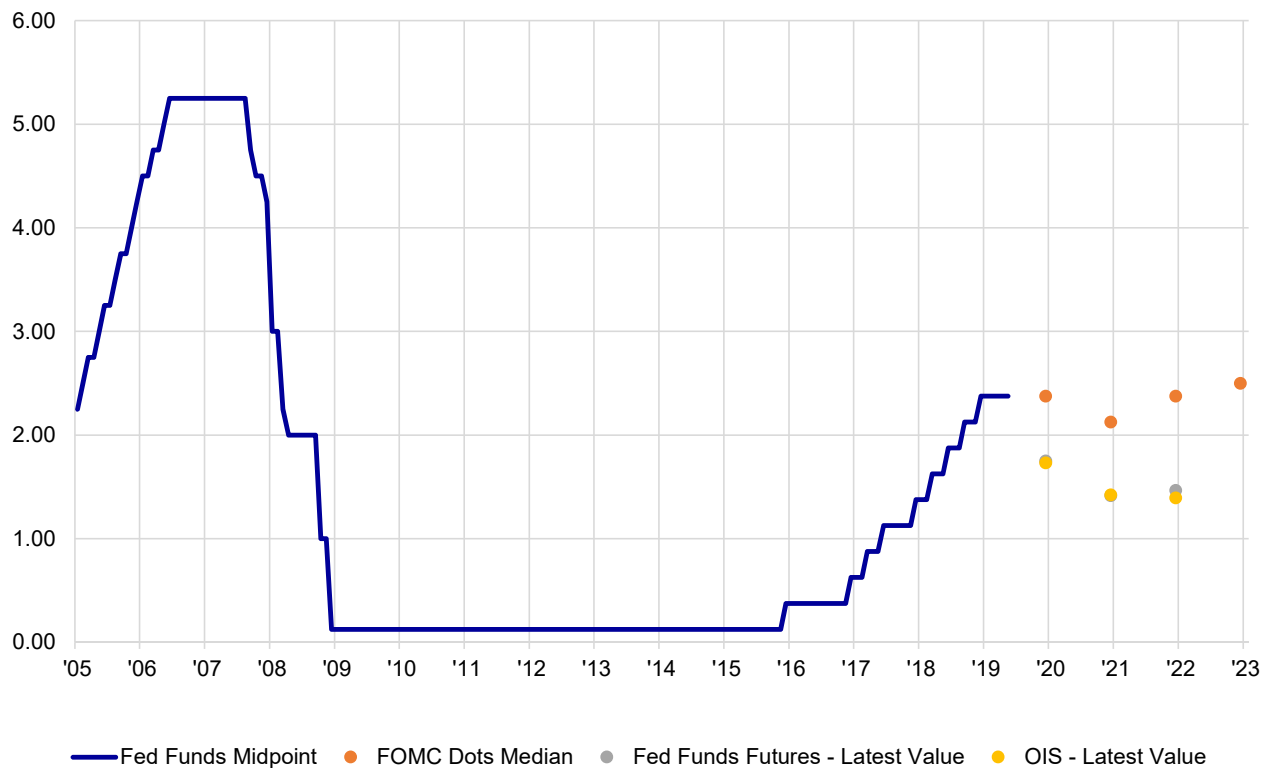
© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Lower Forecasted Fed Funds Rate

In June, the Federal Open Market Committee (FOMC) hinted at possible rate cuts as a result of increased “uncertainties” and their intent to “sustain the expansion”. The dot plot below reflects an outlook of stable or decreasing rates among the Committee, while the market is expecting a more significant decrease in rates.

Market Expectations vs Fed Forecasts As of July 8, 2019



Source: Strategas

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



Declining Inflation Expectations

The strong dollar and falling commodity prices, particularly the recent drop in oil, have pushed the 10-year breakeven rate down, taking back all of the increases seen in late 2017 and early 2018. This decline may help provide the Fed cover to reduce the trajectory of the funds rate.

10-Year Breakeven Inflation Rate



Source: FRED

© BOK Financial. Member FDIC. Services provided by BOKF, NA. BOKF, NA is the banking subsidiary of BOK Financial Corporation.



DISCLOSURES

The information provided herein was prepared by the Investment Management team of BOKF, NA. BOKF, NA is the bank subsidiary of BOK Financial Corporation (BOKF), a financial services holding company (NASDAQ:BOKF). BOKF offers trust and wealth management services through its subsidiaries including BOKF, NA (and its banking divisions Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arkansas, BOK Financial, and Mobank) and investment advisory services through its non-bank subsidiaries, BOK Financial Asset Management, Inc., Cavanal Hill Investment Management, Inc., The Milestone Group, and CoBiz Wealth, LLC, each an SEC registered investment adviser, and BOK Financial Securities, Inc., also an SEC registered investment adviser and registered broker/dealer, member FINRA/SIPC (each an "Investment Affiliate") (collectively, "BOKF"). Distribution of this document is intended for informational purposes. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the author(s) as of the date prepared and are subject to change without notice and are not a complete analysis of any sector, industry, or security regardless of the date on which the reader may receive or access the information. The information provided is intended to be educational in nature and not advice relative to any investment or portfolio offered through an Investment Affiliate, and does not constitute any form of regulated financial, legal, or tax advice, or other regulated financial service. The content provided herein is not a solicitation for the investment management services of any Investment Affiliate, nor is it intended to constitute a recommendation for, or advice to, any specific person on behalf of any Investment Affiliate, as it does not take into account the financial objectives, situation, or needs of any specific person. This information is provided on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of said content, any risks associated therewith, and any related legal, tax, accounting, or other material considerations. Recipients should not solely rely on this material in making any future investment decision. To the extent that the recipient has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, they are encouraged to consult with a qualified lawyer, accountant, or financial professional.

This document may contain forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, the securities and credit markets and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events and are inherently forward-looking statements. These statements are not guarantees of future performance. Likewise, past performance is not a guarantee of future results. This content is prepared for the use of the Investment Affiliates and their clients and prospective clients, and may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF or BOKF, NA. Any unauthorized use or disclosure is prohibited. Receipt and review of this document constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein.

Asset allocation, diversification, and rebalancing do not ensure a profit or protect against loss in declining markets. Investing involves risks, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT GUARANTEED BY THE BANK OR ITS AFFILIATES | NOT DEPOSITS | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE

